

Chapter 1

The Dairy Promotion Programs

In 2004, the National Dairy Promotion and Research Board (Dairy Board) and the National Fluid Milk Processor Promotion Board (Fluid Milk Board) continued to develop and implement programs to expand the human consumption of fluid milk and dairy products. While each promotion program has many unique activities, both programs used the role of calcium-rich dairy products in successful weight loss as a central theme and focal point for its activities in 2004.

National Dairy Promotion and Research Board

The mission of the Dairy Board is to coordinate a promotion and research program that maintains and expands domestic and foreign markets for fluid milk and dairy products produced in the United States. The Dairy Board is responsible for administering the Dairy Promotion and Research Order (Dairy Order), developing plans and programs, and approving budgets. Its dairy farmer board of directors administers these plans and monitors the results of the programs.

The Secretary of Agriculture (Secretary) appoints 36 dairy farmers to administer the Dairy Order. The appointments are made from nominations submitted by producer organizations, general farm organizations, qualified State or regional dairy product promotion, research, or nutrition education programs (Qualified Programs), and by other means as determined by the Secretary (7 CFR §1150.133(a)). Dairy Board members serve 3-year terms and represent 1 of 13 regions in the contiguous 48 States. Dairy Board members elect four officers: Chair, Vice Chair, Treasurer, and Secretary. Current and past Dairy Board members are listed in Appendix A. A map of the contiguous 48 States depicting the 13 geographic regions is shown in Appendix C.

Total Dairy Board actual revenue for 2004 was \$85.7 million (including assessments and interest). This amount was less than the Dairy Board budget of \$87.1 million for that period. The Dairy Board amended its budget to \$89.1 million by incorporating program development funds not budgeted previously. The Dairy Board budget for 2005 projects total revenue of \$86.4 million from domestic assessments and interest. The Dairy Board administrative budget continued to be within the 5-percent-of-revenue limitation required by the Dairy Order. A list of actual income and expenses for 2003–2004 is provided in Appendix D-1. USDA's oversight and evaluation expenses for 2003–2004 are listed in Appendix D-2. Appendix D-3 displays the Dairy Board's approved budgets and a comparison of program funding by function for 2004–2005. An independent auditor's report for 2004 is provided in Appendix E-1.

The Dairy Board has two standing committees: the Finance and Administration (F&A) Committee and the Executive Committee. The F&A Committee is made up of the Dairy Board officers and appointees named by the Dairy Board Chair. The Dairy Board Treasurer is the Chair of the F&A Committee, and the full Dairy Board serves as the Executive Committee.

The remaining committees for the Dairy Board are joint program committees with the United Dairy Industry Association (UDIA).

In March 1994, the Dairy Board approved the creation of Dairy Management Inc.[™] (DMI). DMI is a joint undertaking between the Dairy Board and UDIA. UDIA is a federation of 18 of the 59 active Qualified Programs under the direction of a board of directors. DMI merged the staffs of the Dairy Board and UDIA to manage the Dairy Board programs as well as those of the American Dairy Association® and National Dairy Council® throughout the contiguous 48 States. DMI serves both boards and is structured into five support groups. The nutrition, public, and corporate affairs group supports nutrition education and consumer affairs, board relations, and program implementation. The industry relations group provides news about dairy topics through media contacts as well as communications regarding the dairy checkoff program to producers and the rest of the industry. The strategic operations/finance and administration group handles program planning and communications, information services, membership development, and finance and accounting activities. The marketing and business development group supports retail channel development, marketing communications, advertising, research, and analyses of domestic and foreign marketplaces, program effectiveness, consumption patterns, and consumer perceptions for effective program planning, implementation, and measurement. The export marketing group serves as a resource for U.S. dairy ingredient manufacturers and processors to improve export capabilities of the U.S. dairy industry.

Since January 1, 1995, the Dairy Board and UDIA have developed their marketing plans and programs through DMI. DMI facilitates the integration of producer promotion funds through a joint process of planning and program implementation so that the programs on the national, regional, State, and local level work together. The goals of DMI are to reduce administrative costs, to have a larger impact on the consumer, and to drive demand, thereby helping to increase human consumption of fluid milk and dairy products.

DMI funds 1- to 3-year research projects that support marketing efforts. Two Nutrition Institutes and six Dairy Foods Research Centers provide much of the research. Their locations and the research objectives are listed in Appendix G-1. Additionally, lists of DMI's dairy foods and nutrition projects can be found in Appendices G-2 and G-3, respectively. Universities and other industry researchers throughout the United States compete for these research contracts.

At its inception, the DMI Board of Directors consisted of 12 dairy farmers from the Dairy Board and 12 dairy farmers from the UDIA Board. An amendment to the articles of incorporation of DMI to expand the DMI Board size took effect January 1, 2001, and the expanded DMI Board (77) now comprises all Dairy Board (36) and all UDIA Board (41) members.

The committees for program activities are comprised of board members from both the Dairy Board and UDIA Board. The Dairy Board and UDIA Board separately must approve the DMI budget and annual plan before they can be implemented. In November 2003, both boards approved the 2004 unified dairy promotion plan budget and national implementation programs. Similar to previous plans, the 2004 unified dairy promotion plan continued to support the underlying theme of investing dollars where consumers are – not where dairy cows are. The

unified dairy promotion plan was consistently implemented in the top 150 demand-building consumer markets nationwide.

During 2004, DMI again hosted dairy director regional planning forums across the country to review and create marketing strategies for development of the unified dairy promotion plan. These forums are designed to create *one* unified dairy promotion plan and allow opportunity for State and regional dairy board members to ask questions, raise concerns, and offer their thinking on the direction and development of a unified dairy promotion plan.

At the 2004 forums, dairy directors across the country reviewed and endorsed a unified marketing plan that focused on these five areas: (1) 3-A-Day of Dairy™ For Stronger Bones, a nutrition-based marketing and education program developed to help solve the nation's calcium crisis and increase consumption of milk, cheese, and yogurt; (2) Healthy Weight with Dairy, where the dairy checkoff reminds consumers that milk, cheese, and yogurt may help in weight-loss efforts, when paired with a reduced-calorie diet and physical activity; (3) New Look of School Milk, which includes efforts to improve the school milk experience for the nation's children through improvements in packaging, flavors, and availability; (4) Foodservice, where dairy checkoff funds are invested to help promote the expansion of flavors and the range of packaging for milk in foodservice and restaurants, as well as to help with menu concepts for cheese, and (5) Dairy Image/Confidence, which aims to protect and enhance consumer confidence in dairy products and the dairy industry through correcting misinformation and inaccurate claims against dairy. The success of the unified marketing plan relies heavily upon DMI's ability to expand partnerships with processors, retailers, schools, and health professional organizations.

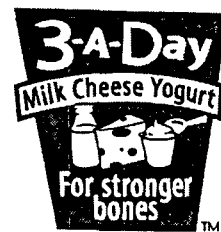
The above-mentioned focus areas continue to build upon the 2002 forum results, which emphasized programs with less reliance upon television advertising, continuance of successful foodservice and retail activities, the need for heavier focus on kids and school milk problems, more focus on industry partnerships, and stronger, more proactive image protection of dairy products. Combined industry spending for the unified marketing plan totaled more than \$250 million in 2004.

The joint Dairy Board and UDIA Board committee structure provides the framework for DMI program activities. The Dairy Board and UDIA Board Chairs assign their respective board members to the following joint program committees: Cheese, Communications and Technology, Export and Dry Ingredients, and Fluid Milk. Each committee elects a Chair and a Vice-Chair. The joint committees and the DMI staff are responsible for setting program priorities, planning activities and projects, and evaluating results. The Joint Evaluation Committee continued to operate in 2004. One ad-hoc committee was added during 2004—the Project Research Policy Review Committee. This committee was created in order to review evolving research needs that may have a “pre-harvest” or “production-related” component, but only to the extent that researchers can demonstrate a clear and direct bearing on dairy product consumption. During 2004, the Dairy Board and UDIA Board met jointly four times.

The following information describes the Dairy Board and UDIA program activities along with new programs and initiatives implemented in 2004.

3-A-Day™ of Dairy for Stronger Bones

3-A-Day™ of Dairy for Stronger Bones (3-A-Day™) marketing and nutrition education campaign was officially launched on March 3, 2003, and continued in 2004. The program objectives are to increase total consumption of dairy products and reinforce dairy as the leading source of calcium by providing simple guidance about dairy food selections. The development of the program was a joint dairy industry effort led by DMI. A key component of the 3-A-Day™ program is the logo, which appears on packages and labels of milk, cheese, and yogurt products containing 20 percent or more of the daily value of calcium. In October, the 3-A-Day™ of Dairy for Stronger Bones campaign was awarded the American Dietetic Association's 2004 President's Circle Nutrition Education Award. This award was created to recognize the development and dissemination of scientifically sound nutrition information that is unique in concept, creative in presentation, and free from specific commercial message or endorsement.



In 2004, DMI sponsored two national promotions around 3-A-Day™ for Stronger Bones—Power Periods 1 and 2. Power Period 1 included “Win 3 Ways with 3-A-Day™ of Dairy....Easy as 1, 2, 3!” This program began in March and included dissemination of a national free standing insert (FSI). The FSI featured coupons for savings on the purchase of milk, cheese, or yogurt and a “Look for the Logo Sweepstakes,” for a chance to win a 3-room prize package. Consumers were asked to clip logos from participating milk, cheese, and yogurt packages and mail in the logos with a sweepstakes entry form. The program was complemented by the debut of a new 3-A-Day™ television campaign, celebrating dairy and showcasing the many easy ways to get three servings of milk, cheese, and yogurt each day.

Power Period 2 included the “Try 3 for 3,” whose primary objective was to encourage consumer trials of a three a day of dairy habit and spur incremental purchase of milk, cheese, and yogurt. The consumer offer included “purchase a milk, cheese, and yogurt product each week for 3 weeks and get a rebate check for free dairy products at their preferred retailer.” Web site www.3aday.org featured “Simple Solutions” based on the “Try 3 for 3” theme to help give moms recipes from chefs and recipe ideas that use dairy products. Retailers benefited from the incremental sales generated by multiple purchases as well as the incentive driving traffic back to their stores. Moms also received a 3-A-Day™ magnet and a three-week tracker to record dairy consumption for the whole family.

Health professional outreach remained a critical component of the 3-A-Day™ program. The American Academy of Family Physicians, the American Academy of Pediatrics, the American Dietetic Association, and the National Medical Association all continued their support and partnership with DMI and 3-A-Day™. By working together with these key health professional partners, DMI continued to provide a clear, practical message to the public on the importance of dealing with the Nation's calcium crisis. DMI's 3-A-Day™ advisory panel, comprised of leaders

from these four organizations, along with other nutrition experts, continued to help guide the overall campaign, as well as nutrition philosophy and principles. To further support the important role of dairy in a healthy diet, the National Medical Association released a consensus report in December 2004 issue of the *Journal of the National Medical Association* recommending African Americans consume three to four servings a day of dairy to help reduce the risk of chronic diseases.

Healthy Weight With Dairy: 3-A-Day™ of Dairy– Burn More Fat, Lose Weight

In September 2004, DMI launched a national effort focused on dairy's link to weight loss by leveraging research that shows three daily servings of milk, cheese, or yogurt in a reduced-calorie diet may help you burn more fat and lose more weight. The associated promotion featured a nationwide "3-A-Day/WebMD Weight Loss Challenge." During the month of September, mom's were offered 3 free weeks (\$15 value) to the WebMD Weight Loss Clinic with the purchase of milk, cheese, or yogurt. The promotion was supported via national television and print advertising, retail selling events, public relations efforts, grass roots events, and www.3aday.org.



3 servings of dairy a day in a reduced-calorie diet supports weight loss.

In addition to the promotional support surrounding the WebMD Weight Loss Challenge, the "3-A-Day™ of Dairy, Burn More Fat, Lose Weight" campaign was supported by print advertisements in national magazines and newspapers, television commercials, various public relations activities executed nationwide, and the Web site www.healthyweightwithdairy.com. In particular, the Web site provided consumers and health professionals access to medical research and other scientific information supporting dairy's role in healthy weight, commentary from nutrition researchers and dietitians, weight loss tips, recipes, links to easy-to-use weight management tools, and a body mass index calculator. The new site highlights national grocery partner efforts in a new "What's 'In Store' for Dairy" section.

Foodservice/Partnerships

DMI continued to work closely with top national restaurant chains, including McDonald's® and Wendy's®, to ensure that milk and cheese were featured prominently in menu items and offerings. DMI efforts led to the introduction of new milk offerings at McDonald's® and Wendy's® in nearly 20,000 restaurants across the country. The new milk offerings included single-serve plastic bottles in at least two flavors (white and chocolate). At McDonald's®, all Happy Meal® choices now include lowfat (1%) white or chocolate Milk Jugs in "kid-friendly" packages. The new single-serve containers, featuring Ronald McDonald surfing on a wave of milk, are plastic, resealable bottles that are easy for small hands to hold and convenient for families on the go. During the initial launch, Wendy's® and McDonald's® combined weekly average milk sales exceeded 5.2 million units, compared to 690,000 units sold per week prior to the new milk offering. Long term, DMI aims to increase larger single-serve milk options [size] with national chains, as well as introduce other new menu items that feature cheese and yogurt.

DMI partnered with General Mills® at the 41st Annual Pillsbury® Bake-Off Contest, with the first-ever “America’s Greatest Cheese Recipe Award.” DMI public relations efforts reminded consumers of the great taste and versatility of U.S.-made cheese through national print advertising, in-store samplings, and retailer receipt materials.

Additionally, through a retail partnership between DMI and Nabisco® (OREO), a nationwide promotion was held in June 2004. Customers were asked to collect specially embossed Oreo cookies featuring letters spelling “M-I-L-K,” to win prizes and a chance to win the \$1 million grand prize. Market analysis revealed that the promotion increased fluid milk sales by nearly 20 million incremental gallons—or more than 160 million pounds, according to Information Resources, Inc., a leading market research firm.

Web site www.ilovecheese.com continued to operate in 2004. Mainstay “Cheese Chatter,” a free monthly e-newsletter about current cheese news, recipes, and savings for cheese lovers, continued to be sent to all www.ilovecheese.com members and chatter subscribers. The Web site continued to post high-traffic numbers throughout the entire year. The “Cheese Profiler Survey” and the “Snackulator” continued to assist Web site visitors in determining which cheeses best fit their lifestyle and to suggest appealing meal combinations and recipes.

Communications and Technology

Consumers receive mixed messages through the media about the nutritional value and benefits of food. DMI worked to provide consumers with education and information based on sound nutritional science and communicated the value of dairy products to consumers as well as to health professionals and educators. DMI also worked to inform dairy farmers about how their assessment dollars were being used. The organization continued to communicate to dairy producers and other industry audiences through publications (such as the annual report, joint newsletters with State and regional dairy promotion groups, and dairy cooperative check stuffers), dairy industry events (including major trade shows and producer meetings) and media relations (including press releases, feature placement, and farm broadcast interviews). For the seventh year, DMI continued its “Dairy Ambassadors” program, which uses a select group of board members to deliver consistent messages about the dairy promotion program to producers and other industry audiences.

DMI continued its support for butter through cooperation and public relations activities with the American Butter Institute, including the Web site www.butterisbest.com, a consumer resource center with current cooking trends and ideas, butter recipes, and links to other butter-related Web sites. DMI also worked with State and regional dairy product promotion organization Wisconsin Milk Marketing Board to execute co-funded retail butter promotion activities. This national effort helped to drive incremental retail butter sales in select markets across the United States.

Another activity of the Communications and Technology program was the issues management program. The objective of this program was to identify, monitor, and manage key issues that may influence consumer perceptions of dairy products. DMI coordinated its issues management activities with State and regional dairy promotion groups as well as with other dairy and

agricultural groups. The organization worked with these groups to bring forth sound, science-based information to address consumer issues. Dairy Reputation Management, an industrywide effort that interacts with the Issues Management, Industry Relations, and Dairy Image Programs, continued a proactive program to educate consumers and to reinforce the positive attributes of dairy foods, dairy farmers, and dairy farming practices to this audience.

In January 2004, *Emeril Live!*, a television program on the Food Network featuring nationally-known chef Emeril Lagasse, aired a salute to America's dairy farmers. Four DMI board members were featured and interviewed, and Emeril prepared a wide array of dishes using American-made dairy products. The dairy producers appeared on the show as part of the dairy image program that proactively educates the public about dairy producers and the dairy industry.

The Dairy Confidence Campaign, designed and initiated in 2001 to enhance existing dairy image and issues management programs, continued in 2004. DMI held additional mock-crisis training sessions in 2004 for dairy farmers and dairy communicators. These sessions were conducted to ensure that the industry continues to be able to quickly activate its crisis network and disseminate key messages to address potential animal disease outbreaks or other events that could affect the image or consumption of dairy products.

Ongoing nutrition research continues to validate discoveries about the potential benefits of dairy food consumption in reducing obesity. With continued emergence of research and breakthroughs demonstrating a positive role of dairy in the reduction of obesity and related diseases, DMI continued its "Healthy Weight With Dairy" campaign. Subsequently, the April 2004 issue of *Obesity Research*, published a study showing that people consuming three-to-four servings of milk, cheese, and yogurt daily – within a calorie-restricted diet – lose more weight than those who just cut calories or take calcium supplements. The clinical study found that adults on a reduced-calorie diet who ate three to four servings of dairy foods each day lost an average of 24 pounds over the 24-week study period. As noted earlier, these research findings provide the foundation for the dairy industry's "3-A-Day™ of Dairy, Burn More Fat, Lose Weight" platform.

Export and Dry Ingredients

DMI's export enhancement program is implemented by the U.S. Dairy Export Council (USDEC). USDEC receives primary funding from three sources: DMI, USDA's Foreign Agricultural Service (FAS), and membership dues from dairy cooperatives, processors, exporters, and suppliers. In 2004, USDEC received \$7.5 million from DMI; \$3.9 million from USDA's Market Access Program and the Foreign Market Development Program, which support commodity groups in promotion of their commodities in foreign markets; and \$632,750 from membership dues. USDEC is in its ninth year of operation, and its total budget was \$12.09 million.

USDEC has offices in Mexico City, Tokyo, Seoul, Hong Kong, Shanghai, Bangkok, Taipei, London, and Sao Paulo. In 2004, strong global demand and some supply shortfalls led to another record year for dairy exports.

Final 2004 export data confirm that U.S. dairy product exports reached \$1.49 billion in 2004, up 39 percent from the prior year and the fifth straight year in which dairy exports exceeded \$1 billion. On an aggregate volume basis, U.S. suppliers exported 1.562 billion pounds of milk products in 2004, up 31 percent from 2003. Once again, lactose was a success story, posting a 9 percent increase in export volume over the previous year. Sales of lactose to China, Mexico, South America, and Southeast Asia posted significant gains.

Overall whey exports increased, after steady declines from 2000 to 2003. Cheese exports increased 18 percent over 2003 levels on a volume basis, with Mexico and Japan leading the increases. Cheese exports to Mexico can again be linked to exporter commitment and successful USDEC promotional and market development activities.

Specific 2004 promotions included in-store retail promotions and sampling in supermarkets, joint promotions with foodservice companies, quarterly trade newsletters, exhibits at trade fairs, and seminars about U.S. dairy products presented to the press, end-user, and food distributors. USDEC successfully partnered with retailers and foodservice operators in key markets on programs that showcased a value-added cachet of U.S. cheese.

USDEC continued working to improve the export capabilities of domestic dairy companies. The organization assists U.S. dairy exporters by providing up-to-date information on market conditions, global trade trends, and regulatory requirements for export. Ongoing reverse trade mission activities provide opportunities for domestic dairy product suppliers to meet potential importers visiting the United States.

Nonfat dry milk and whey promotion efforts were conducted via advertising, public relations, trade shows, and the Web site www.doitwithdairy.com. The advertising theme “Do it with Dairy®” was utilized throughout all activities. The “Do it with Dairy” ingredient marketing campaign reaches the food manufacturing/processing industry with key market-driven whey research results and usage messages. Several newsletters and other publications support this program. “Dairy Dimensions,” a quarterly newsletter, focuses on developments in dairy technology research. “Dairy Ingredients Insider” is a newsletter in which dairy ingredient suppliers are able to track buyer attitudes, behaviors, buying patterns, and product development plans. The latter has become a key planning tool for some suppliers, as it enables them to effectively utilize and leverage market research developed by DMI.

DMI’s Product Innovation/Research and Nutrition Research group hosted the 2004 Dairy Innovation Forum (Forum) in San Antonio, Texas. The invitation-only Forum continued a 7-year DMI tradition of bringing together top decision makers in science and marketing to develop ways to increase consumption of dairy products. The Forum attracted more than 155 participants and included industry representatives such as dairy processors and cooperatives, food manufacturers, Government officials, ingredient suppliers, State and regional representatives, and university researchers. The agenda covered a number of critical topics, including consumer and market trends; product and nutrition research; weight-loss benefits of consuming three servings of dairy each day; and new technologies, including refining milk through ultrafiltration, reverse osmosis, and microfiltration—which are categorized as

“high-impact technology.” There was also a panel discussion that covered a broad range of current issues in the dairy product and ingredient industry. Of note, panelists stressed that the dairy industry’s future depends heavily upon individual companies willingness to innovate.

For the sixth consecutive year, DMI sponsored the Discoveries in Dairy Ingredients Contest. The contest allows undergraduate college students to develop an innovative food product formulation using dry milk, whey, or whey derivatives such as whey protein concentrate and whey protein isolate. The contest has a dual purpose – to highlight the versatility and functionality of dairy ingredients while at the same time providing food science students with practical, marketable experience. The three prize categories include the Best Overall Product Award, the Product Marketability Award, and the Product Creativity Award. Winning entries were featured at the 2004 Institute of Food Technologists Food Expo. The winning products included (1) Ice Cream Poppers, (2) Berry Blasters (beverage), and (3) Mac’N Cheese Grabbers and Barner’s Ready-Bake Crackers (tie).

“Ingredient Insights,” a newsletter designed expressly for food formulators and ingredient suppliers, continues to provide news about dairy ingredients, specific applications, and technical support resources. As part of this program, DMI provides ingredient technical support systems for food technologists. The system features four tiers, enabling food technologists to request the level of support they find the most useful. The options range from requesting technical information via FAX-ON-DEMAND to direct dialogue with a researcher.

“Innovations in Dairy,” a technical bulletin that details new dairy science and technology information and research, is executed through a series of authoritative, topical updates written from a practical perspective for the lay reader.

Three new publications were introduced in 2004, which included “The Dairy Herald,” “REAL Ideas,” and “Dairy Dollars.” “The Dairy Herald” reports on how food formulators and marketers can take advantage of taste, cost, functional, and nutritional appeal of dairy ingredients. “REAL Ideas” focuses on the use of cheese in foodservice and “Dairy Dollars” highlights issues and trends of interest to retailers to help maximize sales and profits from the dairy category. Industry feedback indicates that these publications are very well received.

Research continues to focus on nonfat dry milk and whey in the areas of functionality, quality, packaging, and new applications. In addition, the application laboratory for nonfat dry milk at California Polytechnic State University and the whey application laboratory at the University of Wisconsin Center for Dairy Research continued to provide technical assistance to both those that produce the ingredients and those that use the ingredients in finished products. The Web site www.extraordinarydairy.com provides a network of resources and information to help the dairy and food industries bring innovative products, formulations, and processes to market.

Researchers are exploring additional health benefits of whey. Preclinical (nonhuman) trials are currently investigating the role of specific whey proteins in reducing the risk of certain types of cancer, including breast and prostate cancer, and research trials are investigating a potential link between whey proteins and reduced risk of hypertension. In addition, specific whey proteins

have shown antibacterial properties. In the future, this may lead to whey's use as an ingredient in addressing potential food safety concerns with certain perishable foods such as meats or produce.

National Dairy Council®/School Marketing

The National Dairy Council® www.nationaldairycouncil.org (NDC), the nutrition marketing arm of DMI, has been the leader in dairy nutrition research, education, and communication since 1915. NDC provides timely, scientifically sound nutrition information to the media, physicians, dietitians, nurses, educators, consumers, and other health professionals.

NDC continues to work closely with foodservice professionals and milk processors vis-à-vis the benefits of offering an enhanced milk product in the school cafeteria. The foundation of these efforts is comprised of the results of a year-long School Milk Pilot Test conducted in 2002. Currently, more than 1,450 schools representing nearly one million students nationwide, now offer milk in single-serve plastic resealable containers on the school meal line. This number grows each year as DMI continues to implement its “New Look of School Milk” initiative. DMI funded market research shows that improving students’ school milk experience can help recapture school milk consumption of up to 400 million gallons lost since 1993. The Fluid Milk Board also implemented a program to educate milk processors about the benefits of offering an enhanced milk product in the Nation’s elementary and secondary schools. Milk processors have exhibited widespread support for the program.



The International Dairy Federation (IDF) awarded its International Milk Promotions trophy to DMI for the program “New Look of School Milk.” The award is presented annually to the country with the best promotion program as judged by fellow competitors. IDF considers this program “the best in promoting the healthy image and lifestyle and nutritional benefit of dairy foods.” The trophy was presented at the IDF World Dairy Summit 2004, in Melbourne, Australia.

National Dairy Council® continues its active support of and participation in the Action For Healthy Kids (AFHK) initiative. AFHK was created in response to the Healthy Schools Summit in 2002 and its mission is to inform, motivate, and mobilize schools, school districts, and States to chart a healthier course for the Nation’s children and adolescents. AFHK is comprised of 51 State teams (including all States and the District of Columbia) and a partnership of more than 38 national organizations and Government agencies spanning education, health, fitness, and nutrition arenas. State teams are made up of a diverse base of volunteers, all working to improve nutrition and physical activity in schools at the State and local levels.



In September, DMI partnered with the National Football League® (NFL®) to help educate children on the importance of healthy eating, including three servings of dairy each day, and daily physical activity. “Milk: The Power Behind the Play,” was a nationwide cafeteria promotion that featured NFL® players, including cafeteria posters, and other NFL®-themed materials. The program targeted children ages 6 to 11 to demonstrate how good nutrition and physical fitness play a role in their growth and development. The promotion reached more than 31,000 school cafeterias, which serve more than 18 million students. In addition, a new after-school program that provides students with fun ways to learn about nutrition and healthy snacking options that include dairy and NFL®-developed fitness activities was implemented in several test markets. Those test schools received special kits that include footballs, video instructions for after-school coordinators, nutrition information, and exercise drill equipment. A national after-school program is slated for roll-out in the 2005-2006 school year.

Reaching kids through the classroom with “Pyramid Café” and “Pyramid Explorations™,” continued to be the primary focus of nutrition education activities. The program is targeted to second and fourth grades, and reaches over 12 million students with messages that milk and dairy products are a key part of a healthy diet. Survey results continue to show a very high utilization rate for these two programs.

Web site www.nutritionexplorations.org continues to deliver valuable resources to teachers, school foodservice professionals, and consumers. The site includes lesson plans for educators, resources for school foodservice directors, ideas for smart eating for families, and fun activities for kids. Web site www.nutritionexplorations.org received another World Wide Web Health Award. The World Wide Web Health Awards, organized by the Health Information Resource Center, recognize the best health-related Web sites for consumers and professionals each year. This site has won the award each year since 1999.

Research

Additional 2004 milk-related nutrition and product research was continued in the following areas:

1. The role of milk and milk products in the prevention of colon cancer and reduction of blood pressure.
2. Establishing the genetic basis for the activity of probiotic cultures.
3. Demonstration of milk consumption by teens to meet their calcium needs without adversely affecting weight.
4. The contribution of dairy's nutrient package in the development and maintenance of strong bones.
5. Investigation of the added value of fortification through the use of probiotics, nutraceuticals, nutrient delivery, and flavor enhancement.
6. The impact of differing milk options and experiences in schools on childhood fluid milk consumption behavior and attitudes.

National Dairy Council®-funded dairy nutrition research highlights in 2004 included:

1. The role of dairy as part of a heart-healthy diet.
2. The role of calcium-rich dairy products in successful weight loss and maintenance.
3. Dairy's role in the prevention and reduction of colon cancer.
4. Dairy's role in weight management.

Qualified State or Regional Dairy Product Promotion, Research, or Nutrition Education Programs

Qualified Programs are certified annually by the Secretary. To receive certification, the Qualified Program must: (1) conduct activities that are intended to increase human consumption of milk and dairy products generally; (2) have been active and ongoing before passage of the Dairy Act, except for programs operated under the laws of the United States or any State; (3) be primarily financed by producers, either individually or through cooperative associations; (4) not use a private brand or trade name in its advertising and promotion of dairy products (unless approved by the Dairy Board and USDA); and (5) not use program funds for the purpose of influencing governmental policy or action (7 CFR §1150.153). A list of the 59 active programs is provided in Appendix H.

The aggregate revenue from the producers' 15-cent per hundredweight assessment directed to the Qualified Programs in 2004 was \$187 million (approximately 10 cents out of the 15-cent assessment). The Qualified Programs manage State or regional dairy product promotion, research, or nutrition education programs. See Table 1-1 and Table 1-2 for aggregate income and expenditure data of the Qualified Programs.

Some of these Qualified Programs participate in cooperative efforts conducted and coordinated by other Qualified Programs and/or other organizations such as DMI, the Dairy Board, and UDIA. Their goal in combining funding and coordinating projects is more effective and efficient management of producers' promotion dollars through larger, broad-based projects. For example, UDIA coordinates nationally through DMI the programs and resources of 18 federation members and their affiliated units to support the unified dairy promotion plan.

Table 1-1
Aggregate Income and Expenditure Data Reported to USDA
by the 59 Active Qualified Programs

	2003 (in \$000's)	2004 (in \$000's)
Income		
Carryover from Previous Years	46,938 ¹	47,947 ¹
Producer Remittances	174,892	187,457
Transfers from Other Qualified Programs ²	54,716	55,439
Transfers to Other Qualified Programs ²	-57,109	-67,222
Other ³	<u>3,910</u>	<u>3,657</u>
Total Adjusted Annual Income	223,347	227,278
Expenditures		
General and Administrative	7,641 [4.6%]	7,919 [4.6%]
Advertising and Sales Promotion	70,688 [42.6%]	75,799 [43.7%]
Unified Marketing Plan ⁴	50,146 [30.2%]	50,124 [28.9%]
Dairy Foods and Nutrition Research	5,980 [3.6%]	4,091 [2.4%]
Public and Industry Communications	13,245 [8.0%]	14,958 [8.6%]
Nutrition Education	12,963 [7.8%]	16,590 [9.6%]
Market and Economic Research	1,568 [0.9%]	1,872 [1.0%]
Other ⁵	<u>3,742 [2.3%]</u>	<u>2,081 [1.2%]</u>
Total Annual Expenditures	165,973 [100%]	173,434 [100%]
Total Available for Future Year Programs	57,374¹	53,844

¹ Differences are due to audit adjustments and varying accounting periods.

² Payments transferred between Qualified Programs differ due to different accounting methods and accounting periods.

³ Includes interest, income from processors and handlers, sales of supplies and materials, contributions, and rental income.

⁴ Unified Marketing Plan: Reported local spending by United Dairy Industry Association units participating in the DMI unified marketing plan to fund national implementation programs.

⁵ Includes capital expenses and contributions to universities and other organizations.

Source: Aggregate income and expenditure data reported by the 59 active Qualified Programs.

Table 1-2
Aggregate Advertising Expenditure Data Reported to USDA
by the 59 Active Qualified Programs

	2003 (in \$000's)	2004 (in \$000's)
Advertising Programs		
Fluid Milk	17,701 [25.0%]	16,100 [21.2%]
Cheese	48,975 [69.3%]	48,170 [63.6%]
Butter	101 [0.1%]	2,835 [3.7%]
Frozen Dairy Products	117 [0.2%]	71 [0.1%]
Other ¹	<u>3,794</u> [5.4%]	<u>8,623</u> [11.4%]
Total	70,688 [100%]	75,799 [100%]

¹ Includes "Real Seal," holiday, multiproduct, calcium, evaporated milk, foodservice, product donations at State fairs, and other events and contributions for displays or promotional events.

Source: Aggregate income and expenditure data reported by the 59 active Qualified Programs.

National Fluid Milk Processor Promotion Board

The Fluid Milk Board, as authorized in the Fluid Milk Promotion Act of 1990, as amended, (Fluid Milk Act), administers a fluid milk promotion and consumer education program that is funded by fluid milk processors. The program is designed to educate Americans about the benefits of milk, increase fluid milk consumption, and maintain and expand markets and uses for fluid milk products in the contiguous 48 States and the District of Columbia.

The Secretary of Agriculture appoints 20 members to the Fluid Milk Board. Fifteen members are fluid milk processors who each represent a separate geographical region, and five are at-large members. Of the five at-large members, at least three must be fluid milk processors and at least one must be from the general public. Three fluid milk processors and two public members serve as at-large members on the current Fluid Milk Board. The members of the Fluid Milk Board serve 3-year terms and are eligible to be appointed to two consecutive terms. The Fluid Milk Promotion Order (Fluid Milk Order) provides that no company shall be represented on the Board by more than three representatives. Current and past Fluid Milk Board members are listed in Appendix B. A map of the Fluid Milk Board regions is shown in Appendix C-2.

The Fluid Milk Board elects four officers: Chair, Vice-Chair, Secretary, and Treasurer. Fluid Milk Board members are assigned by the Chair to the following committees: Advertising, Finance, Promotions, Public Relations/Medical and Scientific, and Strategic Thinking/Research. The program committees are responsible for setting program priorities, planning activities and projects, and evaluating results. The Finance Committee reviews all program authorization requests for funding sufficiency, the Fluid Milk Board's independent financial audit, and the work of the Board's accounting firm. The Fluid Milk Board met four times during 2004.

The National Fluid Milk Processor Promotion Program is funded by a 20-cent per hundredweight assessment on fluid milk products processed and marketed commercially in consumer-type packages in the contiguous 48 States and the District of Columbia. The program exempts from assessment those processors who process and market 3 million pounds or less of fluid milk products each month, excluding fluid milk products delivered to the residence of a consumer. Assessments generated \$105.7 million in 2004. The Fluid Milk Order requires the Fluid Milk Board to return 80 percent of the funds received from California processors to the California fluid milk processor promotion program. For 2004, the amount returned to California from the assessments was \$10.1 million. The California fluid milk processor promotion program uses the funds to conduct its promotion activities, which include the "got milk?" advertising campaign.

The actual income and expenses for 2003–2004 are provided in Appendix D-4. The Fluid Milk Board's administrative expenses continued to be within the 5-percent-of-assessments limitation required by the Fluid Milk Order. USDA's oversight and evaluation expenses for 2003–2004 are detailed in Appendix D-5. Appendix D-6 contains the Fluid Milk Board's approved budgets for 2004 and 2005. Appendix E-2 contains an independent auditor's reports for the period of January 1, 2004, through December 31, 2004.

The following summarizes Fluid Milk Board medical and scientific activities for the period of January 1, 2004, through December 31, 2004. The Fluid Milk Board's sponsorships, advertising, promotions, public relations, school marketing, and strategic thinking activities are incorporated in the National Fluid Milk Programs summary.

Medical and Scientific Activities

The Fluid Milk Board's Medical Advisory Board (MAB), comprised of academic, medical, and health care professionals with expertise relevant to the health benefits of fluid milk, met twice in 2004. The MAB provides guidance to the Fluid Milk Board's development of key nutritional and health messages for consumers and health professionals. MAB members assisted the Fluid Milk Board in forging relationships with health and health professional organizations such as the American Academy of Pediatrics, the American Dietetic Association, the American Heart Association, the National Cancer Institute, and the National Medical Association. They also appeared as medical professionals in the media, providing science-based statements supporting the health benefits of milk.

The medical and scientific activities of the Fluid Milk Board also included preparing press materials and acting as spokespersons on breaking research with relevance to fluid milk. The MAB worked extensively over the past year to inform others in the scientific community of the new and emerging research showing that three servings of dairy each day as part of a weight loss plan can help people lose more weight than calorie-restricted diets that did not include dairy. Numerous studies in the past 5 years have pointed to similar conclusions—that dairy foods and calcium may be important when addressing the issue of overweight and obesity. These communications and activities all continue to highlight milk's nutritional profile, which includes nine essential vitamins and minerals.

The 2004 "Good For You" program, whose primary goal is to promote milk's nutritional benefits, continued to leverage breaking research with relevance to milk and is supported with advertising and public relations. Three print advertisements were created under this campaign. Thumbnail images of the advertisements can be found in Appendix I. The focus of these advertisements was to inform consumers and the public about emerging research regarding the role dairy products may play in preventing weight gain and maintaining a healthy weight. The MAB was very involved in the development of messages in this area and helped the Fluid Milk Board explore ways to leverage the information in public relations and advertising messages.

The Fluid Milk Board continued its lactose intolerance initiatives, which focus on educating Hispanic Americans and others on the importance of incorporating milk into their diets and why lactose intolerance should not be a barrier to including milk in the diet.

National Fluid Milk Programs

The Fluid Milk Board continued to execute a national fluid milk program in 2004. The fluid milk marketing programs are research based and message focused.

The purpose of the national fluid milk program is to positively change the attitudes and purchase behavior of Americans regarding fluid milk. The 2004 fluid milk marketing plans were designed to introduce marketing and promotional activities to emphasize milk's weight-loss benefits, to increase the consumption of fluid milk, and to identify and support growth opportunities for the industry. Many communication media were used to accomplish this objective, including television and print advertising, public relations, promotions, and others. The program's target audiences include women and moms, teens, and Hispanics.

In 2004, the got milk?®/Milk Mustache advertising campaign, which provides the basis for advertising activities and other program delivery methods, was continued. A description of the 2004 program activities for the Fluid Milk Board follows.

Sponsorships

In 2004, the got milk?®/Milk Mustache campaign continued leveraging a multi-year partnership with Walt Disney Corporation. The sponsorship provides a unique opportunity to raise milk's image among teens and young adults by highlighting the message that milk is a great beverage of choice for active teens and for athletes of all ages. As part of the partnership, milk continued to be "the official training fuel" of Disney's Wide World of Sports™, while the "Milk House," a state-of-the-art facility that hosts more than 30 championships and 20 tournaments for more than 40 different amateur sports (including baseball, football, soccer, volleyball, and inline hockey) annually, remained the centerpiece arena. The "Milk House" has prominently positioned got milk?® signage and milk mustache posters throughout the complex.

The Fluid Milk Board moved into the fourth year of its partnership with the National Basketball Association (NBA®) during 2004 as part of a multi-year sponsorship. Through this sponsorship, the Fluid Milk Board has an additional mechanism to reach teens with sports nutrition and growth messaging through such events as the got milk?®/All-Star Rookie Challenge weekend and the NBA®/got milk?® "Rookie of the Month" program. These programs feature popular NBA® stars and continue to highlight the important nutrients that milk provides for active, growing bodies.

The Fluid Milk Board continued in its seventh year sponsoring the Scholar Athlete Milk Mustache of the Year (SAMMY) award, which selects 25 high school students from various regions across the United States to receive a \$7,500 scholarship. Each applicant is required to list his/her high school achievements and tell why milk is an important beverage to include in his/her daily regimens. This year posted a record number of 75,000 applications. In addition to the scholarship award, each of the 25 winners are inducted into the SAMMY Hall of Fame and are featured in a special milk mustache advertisement (Appendix I) which appears in *USA Today*, *Sports Illustrated*, and *ESPN* magazine.

Advertising

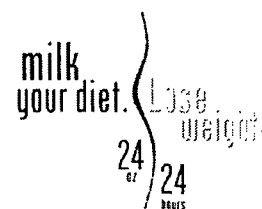
The Fluid Milk Board advertising program consists of television and print advertising as well as media-driven promotions. The advertisements highlight specific, relevant health-benefit

messages about milk and its nutrient content, while media-driven promotions serve to extend the advertising campaign.

In 2004, the Fluid Milk Board created three new television advertisements targeting women to include 24 ounces daily of fat-free or reduced-fat milk as part of a reduced-calorie diet to promote milk's weight loss benefits. These ads were "Skinny Glass," "Diet Fads," and "Refrigerator."

The chocolate milk "Shake Stuff Up" campaign continued in 2004 with the popular commercials "Pogo Stick," "Mountain Bike," and "Barcode," all of which were created to communicate the unique taste of chocolate milk and remind teens how much they love the product. The advertisements feature teens shaking chocolate milk in fun and unusual ways to demonstrate the lengths to which teens will go to get it. The chocolate milk advertising campaign builds on the growing popularity and availability of single-serve flavored milk products.

Fluid milk print advertisements produced in 2004 included celebrity weight loss advertisements targeting moms and women (5); celebrity advertisements with the active, bone growth, and fracture messages targeting teen boys and girls (15); NBA® Rookies of the Month (5) and Rookie of the Year (1); contest winners (3); Hispanic (3); school milk posters (4); outdoor/billboard advertisements (4); the "All Dairy" weight loss advertisements (3); a joint effort by the Fluid Board and DMI detailing the science supporting dairy's link to weight loss (1); and trade advertisements (4). This year also introduced the new logo for milk's weight loss message: "24/24 Milk your diet/ Lose weight!" Additional information regarding these advertisements can be found at www.milkpep.org and at www.whymilk.com. Appendix I includes thumbnail images of all the above noted print advertisements.



To initiate the celebration of its 10-year anniversary, the Milk Mustache campaign launched its 200th celebrity advertisement in November featuring actress Lindsay Lohan. The campaign first launched in 1995, with a print advertisement featuring Naomi Campbell, to help educate Americans about the nutritional benefits of milk and to increase milk consumption. Board-funded research shows that it has helped raise awareness of the many reasons to drink milk—from reducing the risk of high blood pressure and osteoporosis to weight management. Campaign messages have included promoting the importance of milk's nine essential nutrients, including calcium, to help bones grow and to help keep them strong and healthy.

The national Hispanic advertising campaign continued as part of industry outreach to the growing Hispanic population. Two popular Hispanic television commercials, "Ballet" and "Soccer" continued to air in 2004. These commercials focus on the nutrient package that milk delivers, as both featured active children involved in physical activities as they are growing up, while mom, family, and friends watch them succeed. The advertisements' tagline, "*Más leche, Más logro*" ("More milk, More achievement") reminds moms of milk's nutrients and the benefits of serving milk to their families. Hispanic print advertising (Appendix I) featured celebrities and everyday Hispanic moms. These included Miss Universe Amelia Vega and her

mom Patricia Polanco; Hispanic recording artist Veronica Castro and her son Christian; and the Hispanic “Star Mom” contest winner, Beatriz de Alba with her children Steven and Laura.

Outdoor advertising featuring both general market and Hispanic advertisements was employed to ensure that a consistent base of advertising was evenly distributed across all regions. These advertisements are pictured in Appendix I.

Promotions

The Fluid Milk Board conducts promotions to help increase fluid milk sales in retail outlets. The promotions work to move more milk out of the grocery store refrigerator and to increase sales in other retail outlets such as convenience stores, independent grocery stores, drug stores, and mass merchandisers. Some of the promotions work with partners to increase the appeal of the program. After careful measurement of the results of previous years’ promotion strategies, promotion continued to focus on feature incentives, i.e., a promotion vehicle used to increase advertisements, displays of milk, and programs offering prizes directly to consumers to help drive incremental purchases. Of note in the execution of these programs, regional producer groups play an important role in selling-in these programs to retailers.

The Fluid Milk Board conducted three national promotions in 2004. The first promotion involved a feature incentive for flavored milk centered around February and milk’s partner, the NBA®. The “All-Star Flavor Slam” was a 5-week feature ad incentive program designed to drive sales of flavored milk in which retailers could run featured ads on flavored milk in exchange for All-Star Flavor Slam/NBA®/got milk?® prizes. Point-of-Sale kits were shipped to retailers who signed up, and retailers would then assemble kits, and promote any size flavored milk at a feature price, send in proof of compliance, and receive prizes for giveaways. Retailers then used the prizes to run their own in-store sweepstakes, contests, or giveaways.

The second promotion, “The Shape You Want To Be In,” held in June Dairy month, focused on the emerging research linking dairy consumption to weight loss, and featured a shipper display with a free mini magazine giveaway with the purchase of each gallon of milk. The mini magazine, “24-24 Weight Loss Guide,” gave tips on how to include 24 ounces of milk in your daily routine, explained the science behind the weight loss claim, and contained purchase incentive coupons from nationwide sponsors for various products.



The third promotion, one of the most successful ever with consumers, retailers, and processors, centered around a summer sweepstakes, “Show Off With The Top Down,” which allowed consumers to enter on-line for a chance to win one of 24 convertible cars in 24 days. The promotion rewarded customers for including 24 ounces of milk in their daily diets. Consumers could visit the Web site www.2424milk.com and enter the Universal Product Codes from their milk containers. More than 650,000 consumers participated. Additionally, retailers could participate in a retail display contest for a chance to win \$1,000 to \$4,000 in cash prizes for winning entries. This included an automatic entry into a drawing for their chance to win one of

two convertibles. Processors could then leverage news about the local car winners in their respective areas by using the customizable press releases posted on the “got news?” section of www.milkpep.org.

Public Relations

The public relations programs continued to focus on the nutritional benefits of milk, emerging scientific studies that highlight milk’s benefits, leveraging the high interest generated by the celebrities and the got milk?®/Milk Mustache campaign, and preparing for and responding to misconceptions and negative news about milk or the educational campaign. A wide variety of initiatives were implemented to reach specific target audiences. Over two billion media impressions were garnered through the integrated public relations program. The program provided support for the three national retail promotions by helping to build public awareness and increase retailer participation.

For a third year, the Fluid Milk Board launched the “got milk?® 3v3 Soccer Shootout Tour” to remind American families about the importance of drinking milk for an active lifestyle and to position milk as nature’s sports drink with nine essential vitamins and minerals, including calcium and protein. The 4-month tour visited 50 cities nationwide. The theme for this year’s tour was another nationwide search for the “Ultimate Soccer Mom.” Kids had the opportunity to nominate their moms at each tour stop and at www.whymilk.com. The winner, Jennifer Longnecker, received a minivan and a trip for her family to Disney World in Orlando, Florida.

For the seventh consecutive year, the Milk Mustache Mobile Tour made its way around the United States. This year’s program, the “Shake Stuff Up Tour 2004,” ran from March through October, covering 100 cities nationwide. New for this year’s tour was an “Advance Team” which used a minivan with tour graphics to visit retailers in each of the tour cities a couple of weeks before the main tour to generate interest and increase traffic for the tour at its various stops. Also new was a “Milk Your Diet” bar which provided literature and advice from a nutrition expert on the benefits of including 24 ounces of milk every 24 hours in your diet. Additionally, this year’s tour trucks carried dual messaging for the first-time ever featuring celebrities popular with teens on one side, while courting moms with the “Milk Your Diet. Lose Weight” theme on the opposite side.



For teens, this year’s theme was again rock music, but the program included several enhancements to that of the previous year. A primary goal of the tour is to educate Americans about the nutrition and taste benefits of chocolate and other flavored milk. Also, continuing a partnership with MTV and *Rolling Stone* magazine, the tour offered teens the chance to participate in a “battle of the bands” event and win prizes. The winner of the “Be a got milk?® Rock Star” contest was Lindsay Ramer, who was featured in her own got milk?® print advertisement in *Rolling Stone* magazine with recording artist Jason Mraz, who held a private concert at Ms. Ramer’s school as part of the prize component.

The “got news?” Web site on www.milkpep.org was launched in 2004 to help processors with their local media efforts. This feature gave processors access to customizable media materials from national programs such as the Milk Mustache Mobile and the 3v3 Soccer Shootout to use in their own public relations efforts. Additionally, the Web site provided a daily email to processors for breaking news, a list of dietetic spokespersons for use as a resource, processor success stories, and links to a searchable library of medical research studies.

Brochures and other information on milk were made available to consumers through Web sites www.whymilk.com, www.milkpep.org, and www.2424milk.com.

Strategic Thinking

The Fluid Milk Strategic Thinking Initiative (FMSTI) is a joint effort of the Fluid Milk Board, processors, and suppliers. This ongoing effort was established to address barriers to fluid milk consumption not targeted by the advertising, promotion, and public relations activities of the Fluid Milk Board.

Over the years, FMSTI has conducted market tests and studies in various business channels to develop proven ways to increase milk sales and subsequently turned these studies into customer-friendly materials for processors which may be found at www.milkdelivers.org. These materials include reports on milk’s opportunities in vending, foodservice, convenience and drug store, supermarket and school foodservice channels. Some of the materials included are brochures focusing on new ways to get kids to drink more milk; one-page fact sheets explaining the science behind milk’s weight-loss claims; vending sales kits containing results from the 2003 Multi-Channel Vending Test; and many other reports and studies published in previous years highlighting opportunities for increased milk sales.

Complete reports, studies, executive summaries, and press releases for FMSTI’s ongoing initiatives are available for processors on Web site www.milkpep.org and for customers at www.milkdelivers.org. The presentations, videos, and printed materials are available by calling the milk hotline at 1-800-945-MILK (6455.)

School Marketing

In 2004, FMSTI conducted several seminars to educate processors on how to increase their milk sales at schools. The seminars were part of the “Capturing the School Milk Opportunity” program, which presents processors with a myriad of options they can implement to improve school milk. Originally, eight seminars were scheduled in various regions across the United States, but due to overwhelming demand from processors, eight additional seminars were added.

The Fluid Milk Board’s School Image Poster Program continued in 2004. Two truck-sized got milk?[®] posters were sent to participating public, middle, and high school foodservice directors in August for the beginning of the school year. This year’s posters featured rock singer Fefe Dobson, NBA[®] star Tracy McGrady, tennis sensation Andy Roddick, and actress Hilary Duff. Results from 2003 indicated that the 32,000 schools that received posters educated almost

24 million students. Surveys of the schools' foodservice directors revealed that of those schools that received posters, 72 percent hung them (70 percent in the cafeteria area) and 94 percent requested new celebrity posters for future school years. More than one third of those evaluated planned to leave the posters up until they were no longer in good condition. Since size limitation was listed as the most cited reason for not hanging posters (especially for urban schools), a smaller version of the new posters was created and shipped to those schools. These efforts worked in tandem with DMI's school efforts to educate students and school foodservice professionals about the role milk and dairy foods plays in good nutrition.